Effect of drought on revenue collection

977. SHRI D1NKARAO GOVINDRAO PATIL: Will the Minisier of FINANCE be pleased to state:

(a) whether i: is a faci thai revenue collection is likely to show a decline due to drought in the country: and

(b) if so. what steps Government propose to lake to meet the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE I SHRI B. K. GADHVI): (a) and lb) Th as yet, no definite indieateion thai iqial tax collections would decline due to drought in lhe country. But il is too early to conclude one way or the other.

Setting up of Export Units by Indian Diamond Merchants in China

978. SHRI DINKARRAO GOVIND RAO PATH.: Will the Minister of COM MERCE be pleased to state:

(a) whether some Indian diamond merchants have sel up 100 per cent export units in China; and

(b) if so. uhal are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Government is nol aware of any Indian diamond merchant having set up 100 per cent export oriented diamond unit in China.

(b) Does nol arise.

Acceptance of Deposits by Unincorporated Bodies

979. SHRI DINKARRAO GOVIND RAO PATIL: Will the Minisier of FIN ANCE be pleased lo slate:

fa) whether il is a fact that some un-incoroprated bodies have been accepting deposits from the public and then have been defaulting on the repayment of the same;

(b) whether Goveinment propose to check such companies: and

(c) if so, what are the details (hereof?

THE MINISTER OE STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (e). Government are aware thai certain unincor-j poiated bodies accept deposils from public by offering very high rates of interest and lend the same by charging exhorbitant rales of interest. There are also reports about certain unincorporated bodies not ' paying back the deposits, when demanded.

The deposit acceptance activities of such bodies are regula. ed under Chapter I1I-C of Reserve Bank of India Act. 1934. These provisions prohibit such bodies from accepting deposils in excess of ihe specified number of depositors. The Act also provides frr penal action for violating these provisions. These powers vest con-; currently with Reserve Bank of India and the Siate Governments.

Reserve Bank of India has reported thai it has. already, initiated action against several concerns at Ahmedabad. Bangalore. K'olayam, Madras and Trivandrum. The Kerala State Police is also reported to have raided lhe offices of some concerns and have seized documents. The proprietors/partners of some of these bodies are reported to have been arrested for breach of trust and cheating. Reserve Bank of lndia has reported that quite recently, it, alongwith the Sales Tax Intel-ligence Wing of Government of Kerala, had raided ihe offices of a number of un-incorporated bodies in Kerala for suspected violation of the various provisions of the relevant Acts.

The Constitutional validity of ihe Chapter III-C of Reserve Bank of lndia Act, 1934 has been challenged and the mnttei is pending before Ihe Supreme Court and is. therefore, *sub-judice.*

Growth of Small Scale Industry

980. SHRI DINKARRAO COVIN D-R \0 PATIL: Will the Minister of FINANCE be pleased to slale:

(a) whether it is a fact hat inadequacy of risk capital hampers the growth of small. scale industrj; anti

lb) if so. what steps Government propose to lake lo provide the requisite capital ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI IANARDHAN POOJARI): (a) and (b). The Reserve Bank of lndia has reported that Industrial Development Bank of India (I D B I) and National Bank for Agriculture

and Rural Development (NABARD) are operating several schemes, such as special capital scheme. Seed Capital Scheme. National Equity Fund Scheme. Soft Loan Assistance Fund for Margin Money, etc. for providing equity type of assistance for meeting the needs of the small scale and tiny sectors in setting up of projects.

News-item Captioned 'Concern Over Mazars'

981. SHRI DINKARRAO GOVINDRAO PATIL: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the Hindustan Times of the 9th September, 1987 under the caption 'Concern over mazars' on Kutch border; if so, what are the details thereof;

(b) whether Government have conducted any inquiry into the matter; and

(c) if so, what steps have been taken to check such anti-national activity ?

THE MINISTER OF STATE, IN THE MINISTRY OF PERSONNEL. PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRL P. CHIDAMBARAM): (a) to (c) Government have seen the relevant news item.

According the information received from •the Government of Gujarat, a 'mazar' known as Bhakarsha Peer Dargah is situated at about 25 Kms. from Nakhatrana Taluka near Mulu Dessapur village and is about 60 Kms. from Khavda. No strategic point is located near the 'mazar'. A Pak national named Ghaush Mohmed Alisha was residing there with his family. The State Government received information that Ghaush Mohmed Alisha was originally a Pak national and residing in the area illegally since 1975. He was deported in March 1983 alongwith his family. The State authorities had, however no information about any anti-national activity on his part.

Dargah or similar place of worship has come up in the last six months. According to the Siate Government, identity cards are to be issued to the people of the border area of Kutch district to curb such prejudicial activities.

Loan advanced by the Punjab and Sind Bank to Private Firm

982. SHRI M. SWAMY: GURUPADA-

DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

I a) whether there is any limit for the nationalised banks to open letter of credit for their customers;

th) whether Government have taken note of the news-item in Navbharat Times (Hindi), New Delhi dated the 29th September, 1987 that the Chairman and other Bank officials of Punjab and Sind Bank have loaned over Rs. 30, 60, 00. 000 to a private firm:

tc) whether it is a fact that a number of private firms have also been given loans of *o\er* several crores;

(d) whether these advance/loans have been recovered; and

(e) if not, whether any legal action has been taken to recover these loans ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRl JANARDHAN POOJARY): (a) Nationalised banks open letters of credit on behalf of their constituents after assessing the commercial viability of the proposal and in accordance with the norms and criteria laid down by the bank covering security, margin etc., and in accordance with the general directions issued by Reserve Bank of India from time to time. The various authorities within a bank can open Letters of Credit upto the amounts delegated to them.

fb) Yes. Sir.

The State Government have further in- fc) to (e) The Punjab & Sind Bank formed that a survey which was conduct- has reported that it has sanctioned loans ed recently indicated that no 'mazar' or for varying amounts to its borrowers, in-